

105TH CONGRESS  
1ST SESSION

# H. R. 159

To amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of draft cider.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

Mr. ENGLISH of Pennsylvania (for himself, Mr. NEAL of Massachusetts, and Mr. MCHUGH) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of draft cider.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF TAX TREATMENT OF**  
4 **DRAFT CIDER.**

5 (a) DRAFT CIDER CONTAINING NOT MORE THAN 7  
6 PERCENT ALCOHOL TAXED AS WINE.—Subsection (b) of  
7 section 5041 of the Internal Revenue Code of 1986 (relat-  
8 ing to imposition and rate of tax) is amended by adding  
9 at the end the following new paragraph:

1           “(6) On draft cider derived primarily from ap-  
2           ples or apple concentrate and water, containing no  
3           other fruit product, and containing at least one-half  
4           of 1 percent and not more than 7 percent of alcohol  
5           by volume, 22.6 cents per wine gallon.”

6           (b) EXCLUDED FROM SMALL PRODUCER CREDIT.—  
7           Paragraph (1) of section 5041(e) of the Internal Revenue  
8           Code of 1986 (relating to credit for small domestic produc-  
9           ers) is amended by striking “subsection (b)(4)” and in-  
10          serting “paragraphs (4) and (6) of subsection (b)”.

11          (c) EFFECTIVE DATE.—The amendments made by  
12          this section shall apply on and after the date of the enact-  
13          ment of this Act.

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